DAVID Y. IGE Governor

JOSH GREEN Lt. Governor



PHYLLIS SHIMABUKURO-GEISER Chairperson, Board of Agriculture

MORRIS M. ATTA
Deputy to the Chairperson

## State of Hawaii DEPARTMENT OF AGRICULTURE

1428 South King Street Honolulu, Hawaii 96814-2512 Phone: (808) 973-9600 FAX: (808) 973-9613

## TESTIMONY OF PHYLLIS SHIMABUKURO-GEISER CHAIRPERSON, BOARD OF AGRICULTURE

BEFORE THE HOUSE COMMITTEE ON AGRICULTURE

MARCH 18, 2022 9:00 a.m. Via VIDEOCONFERENCE & CONFERENCE ROOM 325

## SENATE BILL NO. 2473 SD2 RELATING TO ECONOMIC DEVELOPMENT

Chairperson Hashem and Members of the Committee:

Thank you for the opportunity to testify on Senate Bill No. 2473 SD2. This measure transfers the administrative attachment of Agribusiness Development Corporation (ADC) from the Hawaii Department of Agriculture (HDOA) to the Department of Business, Economic Development, and Tourism (DBEDT). HDOA supports the intent of this measure and offers comments.

Innovative strategies are an effective means to achieve the ambitious and important goals of the State. The pandemic driven economic shut down and reset has presented Hawaii with a unique opportunity to rebuild its economy into a vibrant and globally competitive environment to re-imagine government operations and career opportunities for all Hawaii residents. The transfer of ADC from HDOA to DBEDT may support this objective by aligning similar goals of DBEDT's and ADC's respective missions to spur economic development.



Unlike ADC and DBEDT, HDOA's priorities and functions are primarily regulating, managing, and supporting the existing agricultural industry and community. HDOA continues to support the agricultural community and pursue and protect policies, programs, and outcomes that are in the best interests of agriculture. While the HDOA appreciates the intent of this measure to optimize rapid economic development through a focused restructuring of government, we are, however, concerned about possible unforeseen impacts that may occur from a disentanglement of our administrative and operational relationship with ADC. The agricultural industry is a unique sector of the economy that is best served by a well-coordinated oversight and management by the State. The existing relationship of HDOA and ADC, both administratively and operationally, has provided an effective means to address the diverse and widespread concerns and objectives of the agricultural community.

Thank you for your consideration of our testimony.



# DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM

MIKE MCCARTNEY
DIRECTOR

CHUNG I. CHANG

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No. 1 Capitol District Building, 250 South Hotel Street, 5th Floor, Honolulu, Hawaii 96813 Mailing Address: P.O. Box 2359, Honolulu, Hawaii 96804 Web site: dbedt.hawaii.gov

# Statement of MIKE MCCARTNEY Director

Department of Business, Economic Development, and Tourism before the

## **HOUSE COMMITTEE ON AGRICULTURE**

Friday, March 18, 2022 9:00 AM State Capitol, Conference Room 325 & Videoconference

In consideration of SB2473, SD2
RELATING TO ECONOMIC DEVELOPMENT.

Chair Hashem, Vice Chair Perruso and members of the Committee.

The Department of Business, Economic Development and Tourism (DBEDT) supports SB2473, SD2, in relation to the transfer of the administrative attachment of the Agribusiness Development Corporation (ADC) from the Department of Agriculture to DBEDT.

As the lead agency in the Executive branch in achieving a Hawaii economy that embraces innovation and is globally competitive, dynamic, and productive to provide opportunities for all Hawaii's citizens, we look forward to supporting ADC in its mission of commercial agriculture development. In our most recent assessment, properly supporting ADC would require a fiscal accountant position and a procurement officer.

DBEDT defers to ADC on the specific details of their responsibilities and powers of the ADC.

Thank you for the opportunity to testify.



## STATE OF HAWAII AGRIBUSINESS DEVELOPMENT CORPORATION

235 S. Beretania Street, Room 205 Honolulu, HI 96813 Phone: (808) 586-0186 Fax: (808) 586-0189

# TESTIMONY OF JAMES J. NAKATANI EXECUTIVE DIRECTOR AGRIBUSINESS DEVELOPMENT CORPORATION

### BEFORE THE HOUSE COMMITTEE ON AGRICULTURE

Friday, March 18, 2022 9:00 A.M.

## SENATE BILL NO. 2473 SD2 RELATING TO ECONOMIC DEVELOPMENT

Chairperson Hashem, Vice Chair Perruso, and Members of the House Committee on Agriculture.

Thank you for the opportunity to testify on Senate Bill No. 2473 SD2. The Agribusiness Development Corporation (ADC) supports this measure, which transfers the ADC from the Hawaii Department of Agriculture (HDOA) to the Department of Business, Economic Development, and Tourism (DBEDT).

Transferring the ADC from HDOA to DBEDT could be beneficial to the State because its goals and objectives supports DBEDT's mission, which is to achieve a Hawaii economy that embraces innovation and is globally competitive, dynamic and productive, providing opportunities for all Hawaii citizens. HDOA's priority and primary functions are regulatory and enforcement, which mean non-regulatory functions are secondary. This includes a long-term vision and overall plan for economic development to support operations such as ADC.

Thank you for your consideration of our testimony.



## **House Committee on Agriculture**

## Hawai'i Alliance for Progressive Action (HAPA) Opposes: SB2473 SD2

Friday, March 18th, 2022, 9:00a.m. Conference Room 325

Aloha Chair Hashem, Vice Chair Perruso and Members of the Committee,

Hawai'i Alliance for Progressive Action (HAPA) **opposes SB2473 SD2** in its current form which transfers the administrative attachment of the Agribusiness Development Corporation (ADC) from the Department of Agriculture (DOA) to the Department of Business, Economic Development, and Tourism (DBEDT).

We appreciate the recent amendments to the bill in the SD2 that shift the mandate of the agency towards more production of food for local consumption. However, we feel that these reforms do not go far enough to address the failures of the agency as outlined in the state audit.

## Should the committee seek to pass out a revised draft of this bill we highly recommend adopting the following amendments:

- Adopting the more comprehensive reforms reflected in HB 2418 HD2. We appreciate the work of this committee to pass out a strong reform bill.
- Removing the provision which transfers the ADC from the DOA to DBEDT, and
- We kindly request the following recommended percentages/benchmarks be included in SECTION 5.4.b:
  - a. At least <u>80 percent</u> of all lands within the corporation's inventory are leased or licensed for agricultural production;
  - b. At least <u>50 percent</u> of production from the corporation's lessees or licensees is intended for local consumption and produced in accordance with the principles of sustainable agriculture; and
  - c. At least <u>20 percent</u> of all leases and licenses of the corporation's lands are for parcels no greater than twenty acres.

We also recommend that the bill is amended to ensure that the ADC achieve the following by July 1, 2027:

- Leases or licenses of at least 20% of all lands within the corporation's inventory prohibit the use of any materials not compliant with the United States Department of Agriculture National Organic Program regulations pursuant to title 7 Code of 11 Federal Regulations part 205
- No land within the corporation's inventory shall be leased or licensed to any agricultural operation that meets the regulatory definition of a concentrated animal feeding operation as defined by United States Environmental Protection Agency regulations pursuant to title 40 Code of Federal Regulation section 122.23.
- The corporation shall test the soils of all lands it leases or licenses prior to occupancy.
- All leases of lands under the corporation's direct or indirect control shall contain provisions requiring that prior to expiration of the lease or the lessee's or licensee's vacating of the leased property, the lessee or licensee shall procure the service of an independent third-party to test the soils and remove any and all contaminants above the levels existing at commencement of the lease or license term.

In January of 2021 the State Auditor released its audit report to the legislature and found that in its nearly 30 year history, the Agribusiness Development Corporation "has done little to support the development of diversified agriculture and fill the economic void created by the demise of sugar and pineapple".<sup>1</sup>

## The ADC Should Be Aligned w/ State Mandates to Increase Local Food Production

Since the creation of the ADC, the state has shifted its focus from agricultural production for export towards increasing Hawaii's food production for local consumption and public procurement. The state has enacted policies to increase state procurement of locally grown and raised food, initiated a robust state-wide farm to school program and set benchmarks for the percentages of local food procurement. To successfully meet these state policies for increased procurement of local food, the management of agricultural lands under the state's purview must be aligned to support these mandates. It is not clear how removing the agency from agricultural expertise within the DOA will support those mandates. Furthermore, there may be unintended consequences that might arise from transferring the ADC to DBEDT such as the loss of key technical expertise housed under the DOA.

## The ADC is Lacking in Agricultural Expertise

One reason attributed to the agencies failings is a lack of food production or food systems expertise on the staff or board of the ADC, along with the absence of a

<sup>&</sup>lt;sup>1</sup> ADC Audit (page 1)

strategic planning process (which is mandated by statute) that meaningfully engages a broad array of food producers input. In fact during the audit process the ADC Executive Director admitted that "no one here has deep agricultural experience". The audit finds that "even if ADC had the correct strategy in place, it does not have the staff to do the work of an industry leader." Food producers and the organizations that represent them are intimately acquainted with the challenges faced on the ground. Moving the ADC out of the Department of Agriculture will further alienate the agency from the knowledge and expertise needed to inform the ADC on how it can successfully meet state goals for ramping up local food production.

While some business and economic development expertise should certainly guide the effort of increasing local food production enterprises in Hawaii, an agency tasked with catalyzing the transition from pineapple and sugar to diversified agriculture must be well versed in the needs of the agricultural sector. Moving the agency into DBEDT would only further alienate the agency from its key stakeholders. The agency does not need to be housed under DBEDT to access business and economic development acumen.

## Farmers Identify Access to Affordable Land as a Major Barrier:

Multiple farmer surveys have been conducted which consistently find access to affordable land as the primary barrier that farmers face. The ADC could be leading the way in ensuring that farmers have access to the ADC inventory of lands, along with a clear and equitable process of applying for ADC leases that are sized to a variety of farmer/food producers needs. However, the audit found that "when we requested documents we believed would be essential to the day-to-day operations of a corporation that manages land and properties – such things as land management policies, land acquisition guidelines, inventories of land holdings, and tenant listings – we were informed that the requested materials did not exist and would need to be assembled. It is not clear how moving the agency from DOA to DBEDT will remedy this shortcoming.

The ADC leases have not been scaled to meet the needs of small or mid sized producers. Yet small and mid sized producers represent the largest share of the food produced sustainably for local consumption.

HD2418 HD2 contains provisions to right size ADC leases for small and midsized local food producers, and to ensure that farmers seeking ADC leases are able to clearly see what ADC landholdings are available for lease and are provided equal footing in the application process.

<sup>&</sup>lt;sup>2</sup> ADC Audit (page 11)

<sup>&</sup>lt;sup>3</sup> ADC Audit (page 11)

<sup>&</sup>lt;sup>4</sup> Malama Kaua'i Farmer Survey https://secureservercdn.net/45.40.148.147/i79.5c3.myftpupload.com/wp-content/uploads/2019/06/2017-Kauai-Farmer-Survey-Report.pdf

<sup>&</sup>lt;sup>5</sup> Hawaii Farmers Survey <a href="https://www.hawaiifarmersurvey.com/">https://www.hawaiifarmersurvey.com/</a>

<sup>&</sup>lt;sup>6</sup> ADC Audit (page 17)

Thank you for your consideration.

Respectfully,

Anne Frederick Executive Director



March 15, 2022

In OPPOSITION OF SB2473 SD 2 – Transferring the ADC to Department of Business, Economic Development and Tourism

Aloha House Committee on Agriculture and Environment,

In the words of Wendall Berry, "The care of the Earth is our most ancient and worthy, and after all our most pleasing responsibility. To cherish what remains of it and to foster its renewal is our only hope."

We strongly believe that the ADC belongs under the direction of the Department of Agriculture, with increased attention to management. The Department of Agriculture is the agency that works most closely with farmers, agricultural lands, and food security. Relocating the agency to DEBT would separate it from the potential lease holders, education, variety trials, CTAHR, and all things ag. In truth, food for the people should be considered in decision making in a number of committees, but the lead agency for the ADC should be the Department of Agriculture. It must be reformed and improved. Food growers, local food consumers and production models are very active right now. It is a good opportunity to reform and excel.

We must get the ADC on track to perform with integrity. The scathing audit shows the depth of mismanagement, damage to the land and criminal activity. This is apparent and reinforced through the audit and the follow up audit committee. We must address the previous failings of the ADC. The time to grow our future food needs is now.

As stated in the ADC mandate, I find this point critical: the legislature finds that the downsizing of the sugar and pineapple industries presented an unprecedented opportunity for the conversion of agriculture into a dynamic growth industry. By caring for public agricultural lands to enhance the local economy, provide employment opportunities, decrease reliance on imported agricultural products, and provide more sources of locally grown food for residents.

This Bill could go farther to support and solidify the production of local agricultural products for local consumption in a manner that is economically and environmentally sustainable to supply our residents, institutions and visitors is necessary in an ever-changing world. We must not only prepare, but catch up to the lag in 28+ years of mandated preparation that has been squandered. The people of Hawai'i would benefit and be more food secure by making optimal use of agricultural lands for local food production and create jobs near communities.

Increasing local production of agricultural products for local consumption reduce the State's reliance on imported agricultural products. Increased access to farmland and related infrastructure for small local farmers and diversified cooperatives is an honorable and necessary direction that has not received the attention and action that the Agricultural Development Corporation was created for. This Bill could be strengthened by including specific reforms in HB2418 HD2. We want the future of non-toxic agriculture and healthy food production to succeed. These large areas of acquired land and abundant resources may be needed, and should be ready, to feed the entire island chain in case of drought or unforeseen disaster. Let us correct and re-design the agricultural use of the lands under DOA management of the ADC. Mahalo,

Jeri Di Pietro, President Hawai`i SEED, Koloa, HI

Submitted on: 3/17/2022 7:16:16 PM

Testimony for AGR on 3/18/2022 9:00:00 AM

Submitted By	Organization	<b>Testifier Position</b>	Testify
laurel brier	Kauai women's caucus	Oppose	Written Testimony Only

## Comments:

Bad idea. Do not transfer the business of the ADC into an economic silo. We need a more comprehensive approach to the very important business of growing food for the community. The ADC needs a big overhaul but not by moving it to another agency that is detached from the stakeholders.



P.O. Box 253, Kunia, Hawai'i 96759 Phone: (808) 848-2074; Fax: (808) 848-1921 e-mail info@hfbf.org; www.hfbf.org

March 18, 2022

## HEARING BEFORE THE HOUSE COMMITTEE ON AGRICULTURE

## TESTIMONY ON SB 2473, SD1 RELATING TO ECONOMIC DEVELOPMENT

Room 325 & Videoconference 9:00 AM

Aloha Chair Hashem, Vice-Chair Perruso, and Members of the Committee:

I am Brian Miyamoto, Executive Director of the Hawaii Farm Bureau (HFB). Organized since 1948, the HFB is comprised of 1,800 farm family members statewide and serves as Hawaii's voice of agriculture to protect, advocate and advance the social, economic, and educational interests of our diverse agricultural community.

The Hawaii Farm Bureau provides comments on SB 2473, SD1, which amends the focus, scope, responsibilities, and powers of the Agribusiness Development Corporation, transfers the administrative attachment of the Agribusiness Development Corporation from the Department of Agriculture to the Department of Business, Economic Development, and Tourism, amends the requirements and responsibilities of the Board of Directors of the Agribusiness Development Corporation, and amends the required contents of the Hawaii agribusiness plan.

The Agribusiness Development Corporation (ADC) was initiated by the agricultural industry as sugar and pineapple downsized. It was established to help transition Hawaii's agricultural industry from plantation agriculture to smaller diversified agricultural operations. Transitioning large tracts of monoculture farmland into smaller diversified ag lots and finding and supporting bona fide farmers to work those lands is a long and complex process. Major logistical challenges such as funding and developing necessary infrastructure must also be overcome and that takes time.

Over the past decade, ADC has made significant progress in transitioning Hawaii's ag sector. A critical review of post-plantation history reveals that ADC has been successful where no other entity has been in developing a productive diversified sector out of former sugar and pineapple lands. ADC also plays an important role in Kauai agriculture through the management of state agricultural lands and related water infrastructure. On Oahu, it manages the Waiahole Irrigation System that provides water to farmers on thousands of

acres of productive prime agricultural lands. It will provide even more opportunities for farmers with its recent acquisition and management of thousands of acres of land in central Oahu.

SB 2473, SD2 seeks to update ADC's focus, scope, and responsibilities to adjust to the changing landscape of modern agriculture. HFB agrees that Hawai'i's agricultural industry has evolved since the inception of ADC and it continues to evolve and that there is a need to review ADC's mandate and focus to ensure it can continue to help develop and promote agricultural enterprises and provide industry-wide services.

We do agree that additional funding for the Agribusiness Plan consultant and account position will provide administrative support and resources to fully realize ADC's potential. ADC has many responsibilities and continues to assist Hawai i's transition from plantation agriculture to smaller diversified agricultural operations and needs the additional and necessary resources to support their efforts

Both ADC and the Hawaii Department of Agriculture (HDOA) assist farmers and ranchers with land and water issues, regulatory mandates, invasive species, global competition, financing, marketing, and research funding. As the entrepreneurial arm of HDOA, ADC complements the larger agency. Both agencies are small when compared to other State departments, but they have the gargantuan responsibility of supporting Hawaii's agricultural industry.

Thank you for the opportunity to express our respectful disagreement with this measure.



PHONE: (808) 323-4267 FAX: (808) 323-4786 EMAIL: Rebecca.villegas@hawaiicounty.gov

## HAWAI'I COUNTY COUNCIL

West Hawai'i Civic Center, Bldg. A 74-5044 Ane Keohokalole Hwy. Kailua-Kona, Hawai'i 96740

March 16, 2022
TESTIMONY OF REBECCA VILLEGAS
COUNCIL MEMBER, HAWAI'I COUNTY COUNCIL
ON SB 2473 SD2, RELATING TO ECONOMIC DEVELOPMENT
Committee on Agriculture
Friday, March 18, 2022 at 9:00 a.m.

Aloha Chair Hashem and Members of the Committee:

I thank you for the opportunity to testify in support of SB 2473 SD2. My testimony is submitted in my individual capacity as a member of the Hawai'i County Council and Chair of the Hawai'i County Council Climate Resilience and Natural Resource Management Committee.

The purpose of this Act is to transfer the administrative attachment of the agribusiness development corporation from the department of agriculture to the department of business, economic development, and tourism.

The Agribusiness Development Corporation ("ADC") is a state agency created by the Hawaii State Legislature in 1994 that is supposed to conserve and convert arable lands and their associated infrastructure that were formerly large mono- crop plantation lands into new productive uses. Its ultimate goal should be to ensure that agricultural production and agribusiness ventures will be responsive to the current food and other agricultural needs of the State. In 2005, the Hawaii 2050 Sustainability Task Force developed a broad, comprehensive plan that recognized local food production as a key element of food self-sufficiency and sustainability for the State. In his Sustainable Hawaii Initiative, Governor David Ige unveiled his 2016 roadmap, adopting the guiding principles of the Sustainability Task Force and narrowing his focus on five goals. Included among the five goals was the increase in food production as a key element in our quest to prudently utilize our natural resources and to ensure that we today and our successors in the future can enjoy the beauty and bounty of this great state.

For the reasons stated above I urge the Committee on Agriculture to support this measure as well. Should you have any questions, please feel free to contact me at (808) 323-4267.

Mahalo for your consideration.

Rebecca Villegas

Council Member, Hawai'i County Council

Friday, March 17, 2022, 9:00 am

House Committee on Agriculture

SENATE BILL 2473 - RELATING TO ECONOMIC DEVELOPMENT

Position: Strongly Oppose

Me ke Aloha, Chair Hashem, Vice-Chair Perruso, and Members of the Committee on Agriculture:

SB2473 represents a misconception of what the Agribusiness Development Corporation (ADC) needs to be. ADC has come under fire for being unable to fulfill its initial mission, conceived by its authors to be a rescue of agriculture lands, water, and financing for big business export concerns. Hawaii needs food agriculture, and there never has been money in that. The last five years have seen a dawning of a more accurate vision of agriculture: food security is a public good, not a business opportunity. Agriculture belongs with Agriculture, not with Business and Economic Development and Tourism.

The misconception of Hawaii agriculture is a throwback to white supremacist imperialists who took Hawaii by force contrary to international law, for cheap lands and political control to raise profitable sugar crops using indentured labor under an oligarchy. Native Hawaiians had been decimated by disease, and their water was taken for thirsty sugar plantations. ADC perpetuated the fiction of export to earn revenues, but also maintained land in agriculture. Global capital has undone the notion of regional competitive advantage, supported by massive taxpayer subsidies of fossil fuels and hardware, under the protective shield of the U.S. military.

Times have changed, Hawaii has become dependent on the tax-subsidized mass agriculture for 90 percent of its everyday food necessities. A recognition is slowly emerging, following the COVID pandemic, that Hawaii is subject to climate change economic and shipping disruptions. The portfolio for Agricultural Development needs to be food production for local working families. Since the plantations' demise, small food farmers have been clinging to expensive land while tourism attracts the world's wealthy to flourishing new haciendas.

In all fairness, one essential goal has been preserved — maintaining lands in agriculture and providing water for it. While most of these are kula lands that were never cultivated when Hawaii was self-sufficient in food, and the water has been diverted from streams that formerly raised that food, wise decision-makers have been trying to buck a land market that works contrary to agriculture and food production.

Decision makers are learning that farming is not a money-maker except at taxpayer-subsidized gargantuan scales, and that the money-making model is devastating land and producing unhealthy food, en route to collapse. Environmental externalities are destroying it, and it never been a market success. Taxpayer support is the only way it has survived this long. We must stop thinking that land and food can earn more than collective subsistence. We are currently positioned to enable more farmers to produce sufficient food, and a number of legislative measures have arrived to advance this agenda, especially with respect to building a composting and recycling industry that can build self-reliance on these most promising agricultural lands.

Because we now recognize that agriculture for food security is an essential public good, we should continue to support it every way possible, and the Department of Agriculture has labored with insufficient staff and funding for decades. The absolutely wrong thing to do is to maintain the pretense that agriculture should be promoted as a business in the manner that Business and Economic Development and Tourism is designed to do.

As well-intended as this bill may be, it makes fundamental errors in understanding economics. Please continue to build a better Agriculture Development Corporation under the Department of Agriculture. Please do not perpetuate the fiction that it belongs as an economic development business opportunity.

Mahalo for the opportunity to address this issue,

/s/ Charley Ice, Hoa'āina; member of the Food Security and Agriculture Committee of the Environmental Caucus; lifelong student of ecological economics

Building the new normal with People and Land: Food Security Health Care Public Banking Regenerating Soils Cutting Waste Eliminating GHG emissions

<u>SB-2473-SD-2</u> Submitted on: 3/16/2022 11:52:59 AM Testimony for AGR on 3/18/2022 9:00:00 AM

Submitted By	Organization	<b>Testifier Position</b>	Testify
Dana Keawe	Individual	Support	Written Testimony Only

Comments:

Support SB2473 SD2

Submitted on: 3/16/2022 12:16:15 PM

Testimony for AGR on 3/18/2022 9:00:00 AM

Submitted By	Organization	<b>Testifier Position</b>	Testify
Samuel M Mitchell	Individual	Oppose	Written Testimony Only

Comments:

I do not Support SD2473 SD2

Samuel Mitchell Member Makiki Nb10

...

[Message clipped] View entire message



ReplyForward

Submitted on: 3/16/2022 1:28:47 PM

Testimony for AGR on 3/18/2022 9:00:00 AM

<b>Submitted By</b>	Organization	<b>Testifier Position</b>	Testify
Momi Ventura	Individual	Oppose	Written Testimony Only

#### Comments:

We as indigenous people to Hawai'I Nei wholeheartedly and deeply - opposes anything that is against the nature of Hawai'I's dying landscape and its valuable resources. We have been forced to appease the foreigners for sustainable living, and also avoiding it at cost. My recent ancestors have been drawn to laie from the mormon churches lure and its "goodness." Our thirst for survival was because Kamehameha the thrid had guns to his head, forcing him to allow foreigners to purchase lands In Hawai'I. Never forget that this happened.!!! For we are on the poverty side of the spectrum, where as our Ohana had hundreds and thousands of acres, because of Alii status our lands were most important to the sugarcane land theives. All of the land in Hawai'I is indigenous lands unless given by the king, the rest were taken by force. Thank you for your time and consideration.

Submitted on: 3/16/2022 2:41:33 PM

Testimony for AGR on 3/18/2022 9:00:00 AM

<b>Submitted By</b>	Organization	<b>Testifier Position</b>	Testify
De Austin	Individual	Oppose	Written Testimony Only

#### Comments:

Honorable chair and vice-chair, Senators Hashem and Perusso,

as well as distinguished members of Committee on Agriculture,

I oppose this bill SB2473 SD2 because although the Department of Agriculture has failed to meet its original goals and neglected its kuleana to develop Hawaiian farm lands for the good of Hawaii and her people, it is a mistake to transfer the jurisdiction of the Department over the DBET. It makes no sense. Experts in the agricultural industry should be the leaders of decisions regarding agriculture. Pointedly, the current leaders and its current system need to be revised and perhaps its leaders replaced, but moving the entire organization to the Department of Business, Economics and Tourism fails to keep agriculture as the center concern.

I could support this bill if the transfer were removed and more detailed reforms are attached to the ADC.

Please do not support this bill, unless these reforms are made.

Thank you for the opportunity to testify.

Respectfully,

**D** Austin

Kihei, Maui

Submitted on: 3/16/2022 5:26:29 PM

Testimony for AGR on 3/18/2022 9:00:00 AM

<b>Submitted By</b>	Organization	<b>Testifier Position</b>	Testify
Nanea Lo	Individual	Oppose	Written Testimony Only

### Comments:

Hello,

My name is Nanea Lo. I'm born and rasied and from this land. I'm currently a Mō'ili'ili resident. I'm writing in oppose SB2473 SD2.

If passed, SB2473 will transfer the administrative attachment of the Agribusiness Development Corporation from the Department of Agriculture to the Department of Business, Economic Development, and Tourism. Provides some positive reforms to the ADC board and mandate.

While some business and economic development expertise should certainly guide the ADC's effort of increasing local food production enterprises in Hawai'i, an agency tasked with catalyzing the transition from pineapple and sugar to diversified agriculture must be well versed in the needs of the agricultural sector.

OPPOSE SB2473 SD2.

me ke aloha 'āina,

Nanea Lo

To: Chair Hasham, Vice Chair Perruso, and AGR Committee members

Subject: OPPOSITION TO SB2473 SD2 Relating to economic development

Aloha e Chair Hasham, VIce Chair Perruso & AGR Committee members,

I <u>OPPOSE SB2473 SD2 Relating to Economic Development in its current version</u> and urge you to VOTE No or to amend this bill to REMOVE ALL PARTS that would transfer ADC to DBEDT.

The transfer of "administrative attachment of Agribusiness Development Corporation (ADC) from the Hawaii Department of Agriculture (HDOA) to the department of Business, Economic Development, and Tourism (DBEDT)" will not address the many problems within the ADC and its Board of directors but make it worse. However, the amendments made to focus the scope and responsibilities of the ADC will provide support to the ADC in meeting their objectives and should be the focus of this measure instead of a transfer.

I respectfully request your consideration in removing lines 1 thru 4 of section 1 in its current version: "SECTION I. The purpose of this Act is to transfer the administrative attachment of the agribusiness development corporation from the department of agriculture to the department of business, economic development, and tourism." Section 163D-1, Hawaii Revised Statutes, is amended to read as follows:

Mahalo to our legislatures for the amendments made up thus far in its current version in how it not just specifies the scope and responsibilities of the ADC but even more so **incorporates the importance of agricultural production for local consumption.** 

It is unclear what the intention of transferring the ADC to DBEDT is and makes this part of the measure very unjustifiable. Infact, as it stands, the DBEDT are one of the 11 voting board members of the ADC which according to the State of Hawaii, Office of the Auditor website, found:

"The ADC's Board of Directors, as the head of the corporation, has provided minimal guidance and oversight of ADC's Operations...the Board's abdication of its policy-making and oversight responsibilities, ADC has yet to provide the necessary leadership to facilitate the transition of agricultural lands and infrastructure from plantation operations into other agricultural enterprises that it was intended to provide after almost 30 years since its creation."

This statement is an **EXTREME** cause of concern when discussing the possibility of transferring the ADC to a state agency that belongs to this board and that clearly has not done enough to enforce ADC compliance, policy- making and oversight.

If this legislature finds the need to transfer the ADC to any agency other than DOA, the State of Hawaii Office of Planning and Sustainable Development should be considered a viable alternative.

Thank you for your time. I urge you to VOTE NO on the passing of this measure or to REMOVE any part (section 1, lines 1-4) that would allow a transfer of the administrative attachment from HDOA to DBEDT.

Mahalo,

Poli'ahu Dulay

Submitted on: 3/16/2022 2:40:03 PM

Testimony for AGR on 3/18/2022 9:00:00 AM

<b>Submitted By</b>	Organization	<b>Testifier Position</b>	Testify
Sherry Pollack	Individual	Oppose	Written Testimony Only

### Comments:

I oppose SB2473 SD2. This bill will not address the longstanding structural problems that have led to the failures of the ADC but simply shift the problem to another agency. The ADC does not need to be housed under DBEDT to access business and economic development acumen. The legislature should take a more comprehensive approach to addressing the failings of the agency and enact reforms based on the recommendations of the state audit.

Submitted on: 3/17/2022 7:30:49 AM

Testimony for AGR on 3/18/2022 9:00:00 AM

Submitted By	Organization	<b>Testifier Position</b>	Testify
Ruth Lewis	Individual	Oppose	Written Testimony Only

#### Comments:

- While some business and economic development expertise should certainly guide the ADC's effort of increasing local food production enterprises in Hawai'i, an agency tasked with catalyzing the transition from pineapple and sugar to diversified agriculture must be well versed in the needs of the agricultural sector.
- Moving the agency into DBEDT would only further alienate the agency from its key stakeholders. The agency does not need to be housed under DBEDT to access business and economic development acumen.
- The legislature should take a more comprehensive approach to addressing the failings of the agency and enact reforms based on the recommendations of the state audit.
- While we support some of the reforms of the ADC that have been added to this bill, they do not go far enough.
- Should the House Committee on Agriculture decide to pass out this measure, we recommend the following amendments:
  - o Remove the provision that transfers the agency from the DOA to DBEDT
  - o Include the deeper and more specific reforms in HB 2418 HD2
- I concur with the points oulined above by HAPA. ADC should not be overseen by DBEDT.

Sincerely,

Ruth E Lewis

4875 Kikala RD, Kalaheo, HI 96741

808-332-5032

Submitted on: 3/17/2022 8:07:21 AM

Testimony for AGR on 3/18/2022 9:00:00 AM

Submitted By	Organization	<b>Testifier Position</b>	Testify
Susan Stayton	Individual	Oppose	Written Testimony Only

### Comments:

Dear Legislators,

I am writing as a resident of Kauai and a small farmer to OPPOSE SB2473 SD2.

- Moving the agency into DBEDT would only further alienate the agency from its key stakeholders. The agency does not need to be housed under DBEDT to access business and economic development acumen.
- Should the House Committee on Agriculture decide to pass out this measure, we recommend the following amendments:
  - o Remove the provision that transfers the agency from the DOA to DBEDT
  - o Include the deeper and more specific reforms in HB 2418 HD2

Thank you for your consideration,

Susan

Submitted on: 3/17/2022 9:01:02 AM

Testimony for AGR on 3/18/2022 9:00:00 AM

Submitted By	Organization	<b>Testifier Position</b>	Testify
Mary Lacques	Individual	Oppose	Written Testimony Only

#### Comments:

SB2473 SD2 does not address the constructive and insightful recommendations proposed in the Hawai'i State Auditors report of the Agribusiness Development Corporation (ADC), which found myriad deficiencies that by no means can be addressed by transferring supervisory responsibility from one state agency to another. The failings of the ADC should be addressed with a comprehensive approach to reforming the agency based on the audit recommendations.

Submitted on: 3/17/2022 10:26:30 AM

Testimony for AGR on 3/18/2022 9:00:00 AM

Submitted By	Organization	<b>Testifier Position</b>	Testify
Diane Ware	Individual	Oppose	Written Testimony Only

#### Comments:

Dear Chair and Committee Members,

I strongly oppose this measure for the following reasons:

- While some business and economic development expertise should certainly guide the ADC's effort of increasing local food production enterprises in Hawai'i, an agency tasked with catalyzing the transition from pineapple and sugar to diversified agriculture must be well versed in the needs of the agricultural sector.
- Moving the agency into DBEDT would only further alienate the agency from its key stakeholders. The agency does not need to be housed under DBEDT to access business and economic development acumen.
- The legislature should take a more comprehensive approach to addressing the failings of the agency and enact reforms based on the recommendations of the state audit.
- While I support some of the reforms of the ADC that have been added to this bill, they do not go far enough. They do not protect native forests and wildlife from destruction and or extinction. Nor does this consider native Hawaiians cultural heritage that views the loss of any species as a loss of the culture.
  - Furthermore Should the House Committee on Agriculture decide to pass out this measure, I recommend the following amendments:
    - o Remove the provision that transfers the agency from the DOA to DBEDT
    - o Include the deeper and more specific reforms in HB 2418 HD2
- Respectfully,

Diane Ware, 99-7815 Kapoha Pl, Volcano Hi 96785

Submitted on: 3/17/2022 5:24:20 PM

Testimony for AGR on 3/18/2022 9:00:00 AM

<b>Submitted By</b>	Organization	<b>Testifier Position</b>	Testify
Tierra Bartolotti	Individual	Oppose	Written Testimony Only

## Comments:

I strongly OPPOSE SB2473 Transfer of ADC from the Department of Agriculture to the Department of Business, Economic Development, and Tourism.